

## BARBOUR: Cheap energy, yes; cap and trade, no

By Haley Barbour | Wednesday, April 22, 2009

Conservative economic policy is under attack on many fronts by the Obama administration and its liberal allies in Congress: taxes, spending, government borrowing and free-market capitalism itself. As we fight on these fronts, conservatives also must be focused on another issue of critical importance to our country's economic and national security: energy.

America needs more American energy, but the Obama policy is for less American energy and more expensive energy.

Conservatives must wage and win the argument to show voters that President Obama's energy policies mean higher utility bills and gasoline prices. As a candidate, Mr. Obama told the San Francisco Chronicle last year: "Under my plan of a cap-and-trade system, electricity bills will necessarily skyrocket."

And the cap-and-trade tax he has proposed in his budget fulfills his prediction. It will be the biggest tax increase in history and will clobber low- and middle-income families. His additional proposal for \$81 billion of tax increases on the oil and gas industry will add that much more to gasoline and electricity prices, while also reducing supply, thereby driving fuel costs even higher.

A study by the Massachusetts Institute of Technology found that the cap-and-trade tax will cost every American family more than \$3,100 per year. A McKenzie and Co. study says the cap-and-trade tax will raise electricity bills by at least 5 cents per kilowatt hour. In Jackson, Miss., that would be a 56 percent increase and would drive the average residential electric bill from \$103 to \$160 per month.

Over and above the gigantic cost increases to families, these skyrocketing electric rates and motor-fuel prices will dramatically drive up the cost of doing business in our country. Small businesses, America's economic engine that creates nearly 80 percent of all net new jobs, will pay far higher utility bills, and the cost of manufacturing goods in the United States will make many of our products uncompetitive and drive production and jobs overseas.

Why in the world would our own federal government propose energy policies that will result in far more expensive energy, major cost increases for families, diminished competitiveness for our businesses and industries, and fewer jobs for American workers? It is in the name of climate change and reducing greenhouse-gas emissions.

There are much better ways to address climate change and prudently reduce emissions here and around the world. Gigantic cost burdens on American families are not the solution.

While the Obama policy is to drive energy costs through the ceiling, what Americans want and need is abundant, affordable, reliable, American energy. And, with the right energy policy, they can have it.

A policy based on more American energy would mean our families and, critically, our economy would benefit from all the available energy sources our tremendously endowed country has to offer: more oil and gas, not less; more nuclear power; cleaner coal-generated electricity; and wind, biomass, hydro and solar to the maximum degree they can contribute. And that will increase over time. Conservation and efficiency also can and must play a larger role in our energy equation.

A policy of more American energy will result in more abundant, more reliable and lower cost energy, and because it's all American, it will reduce our reliance on foreign oil even more than efficiency and conservation, as important as they are.

Our country has benefited from abundant energy since English settlers arrived at Jamestown, Va., more than 400 years ago. Indeed, abundant, affordable energy has made America the greatest, strongest, richest country in the history of the world. We still have plentiful supplies of oil, gas and coal, and we will rely on them for motor fuels and to generate electricity for decades to come.

We also have developed a remarkably efficient power-production capacity through nuclear energy - the clean, green energy machine. Renewable alternatives such as hydro, biomass, wind and solar are also increasingly important to the mix.

The point is that it is a mix - diversity of supply. The answer to our energy policy is: All of the above - more American energy. We need it all.

Such a policy reduces, then eliminates excessive U.S. dependence on foreign oil. It keeps costs where Americans can afford the quality of life they deserve and work so hard to attain, and allows our nation's businesses and industries to stay competitive.

More American energy is the right policy for conservatives and for our country.

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